

HOUSE BILL No. 1198

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5-24; IC 6-3.6-7-15.

Synopsis: County funding. Permits a county to appeal to the department of local government finance (DLGF) to make a determination of whether the county's maximum permissible tax levy is insufficient for the county to adequately carry out its governmental functions for 2017 and thereafter if the insufficiency is because the county had its maximum levy reduced because the unit had not imposed its maximum levy in previous years. Permits such a county to increase its maximum permissible tax levy to an amount determined by the DLGF that is needed to adequately carry out the county's governmental functions. Limits the resulting levy to the amount the levy would have been if the county's maximum permissible tax levy had not been reduced. Permits Miami County to use part of its special purpose local income tax rate for the operation of its jail.

Effective: July 1, 2016.

Friend, Karickhoff, Price

January 7, 2016, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1198

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-18.5-24 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2016]: **Sec. 24. (a) This section applies to any**
4 **county that, for 2017 and in the reasonably foreseeable future, will**
5 **have unique circumstances because the county imposed less than**
6 **the county's maximum permissible ad valorem property tax levy**
7 **and as a result:**

8 (1) **the county had its maximum permissible ad valorem**
9 **property tax levy reduced; and**

10 (2) **the county's maximum permissible ad valorem property**
11 **tax levy for 2017 and thereafter will not provide enough**
12 **revenue for the county to adequately carry out its**
13 **governmental functions.**

14 (b) **The executive of a county described in subsection (a) may,**
15 **after approval by the fiscal body of the county, submit a petition to**
16 **the department requesting a determination that the county**
17 **qualifies for an increase in its maximum permissible ad valorem**



property tax levy under this section.

(c) If the executive of a county submits a petition under subsection (b), the department shall determine whether the county qualifies under subsection (a). If the department determines that the county qualifies, the department shall increase the maximum permissible ad valorem property tax levy for the county for property taxes first due and payable in 2017 to the lesser of:

(1) the amount determined by the department to be a maximum permissible ad valorem property tax levy that is sufficient for the county to adequately carry out its governmental functions; or

(2) the amount that makes the maximum permissible ad valorem property tax levy for the county equal to the maximum permissible ad valorem property tax levy that would have applied to the county under section 3 of this chapter for property taxes first due and payable after December 31, 2016, if in each year, beginning in 2003 and ending in 2016, the county had imposed the maximum permissible ad valorem property tax levy for the county in each of those years (regardless of whether the county did impose the entire amount of the maximum permissible ad valorem property tax levy for the county).

SECTION 2. IC 6-3.6-7-15, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 15. (a) This section applies only to Miami County.

(b) Miami County possesses unique economic development challenges due to:

(1) underemployment in relation to similarly situated counties; and

(2) the presence of a United States government military base or other military installation that is completely or partially inactive or closed.

Maintaining low property tax rates is essential to economic development, and the use of a tax under this section to pay any bonds issued or leases entered into to carry out the purposes of this section **and for the operation of a county jail financed under this section** rather than use of property taxes promotes these purposes.

(c) The county fiscal body may impose a tax rate on the adjusted gross income of local taxpayers that is the lesser of the following:

(1) Twenty-five hundredths percent (0.25%).

(2) The rate necessary to:

(A) pay the costs of financing, constructing, acquiring,



1 renovating, and equipping a county jail; **and**
2 **(B) operate the county jail financed under this section.**
3 (d) Revenue raised from a tax imposed under this section may be
4 used only for the purposes of paying the costs of financing,
5 constructing, acquiring, renovating, ~~and~~ equipping, **and operating** a
6 county jail, including the repayment of bonds issued, or leases entered
7 into, for financing, constructing, acquiring, renovating, and equipping
8 a county jail.

